

February 5, 2007

Ms. Tracie Billington
Department of Water Resources
Division of Planning and Assistance
P.O. Box 942836
Sacramento CA 94236-0001

Ms. Shahla Farahnak
State Water Resources Control Board
Division of Financial Assistance
1001 "I" Street, 16th Floor
Sacramento, CA 95814

Dear Ms. Billington and Farahnak:

**Comments on Proposition 50, Chapter 8 Recommended Grant Awards
Integrated Regional Water Management (IRWM) Program**

The City of San José fully supports the proposal to make awards of additional grant funds to existing Step 2 applicants as presented at the public workshop in Sacramento on January 23, 2007. San José is one of the land use agencies that has adopted the Bay Area Integrated Regional Water Management Plan. The City operates the San José/Santa Clara Water Pollution Control Plant that serves over 1.3 million residents of the South San Francisco Bay with wastewater treatment and operates the South Bay Water Recycling system, delivering 14 million gallons per day of recycled water to customers during the dry season and more than 2.8 billion gallons last year along 105 miles of pipeline. The City is also a founding member of the Bay Area Clean Water Agencies (BACWA), the applicant for the IRWM Step 2 grant. The BACWA proposal supports the grant program objectives of protecting communities from drought, protecting and improving water quality, and reducing dependence on imported water for the region.

The City of San José agrees with comments made by BACWA in a comment letter submitted on January 27, 2007, specifically supporting a grant allocation to Bay Area projects, including advanced water recycling in the South Bay:

1. Since "leveraging local resources" was listed as a reason to fund more proposals in the January 23, 2007 presentation, the amount of matching should be a consideration. The Bay Area by far has the largest match and reflects the value of the projects to be funded.

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2. IWRM grants were already awarded in the Sacramento Valley and Central Coast while the Bay Area region has not received an award. The City agrees with BACWA's recommended approach for proportionally allocating the grant awards with respect to water use, resulting in \$20 million to the Bay Area.

The City appreciates the opportunity to comment on the IWRM grant program. We believe the BACWA projects will make significant contributions towards maintaining our State's water supply and look forward to being part of the planning and implementation process. If you have any questions regarding these comments please contact Mansour Nasser P.E., Acting Deputy of Water Resources with the Environmental Services Department at (408) 277-4218. Thank you for your consideration and the hard work from you and your staff in implementing this Integrated Regional Water Management grant program.

Sincerely,

A handwritten signature in black ink that reads "Chuck Reed". The signature is written in a cursive, flowing style.

Chuck Reed
Mayor